

Department of Administration – Division of Purchases

MEMORANDUM

To: Department Directors and Chief Financial Officers

From: Nancy McIntyre, Purchasing Agent

Date: April 07, 2020

Subject: Fiscal Year Transition Timetables and Deadlines

While recognizing this year's planning for Fiscal Year Transition (FYT) comes during the Covid-19 strain on state agencies, it is important that we remain committed to established best practices for FYT. The following schedule is issued as a guideline for agency planning during the heavy volume demand for FYT. These lead times are necessary to allow for transactions to be processed timely by the Division of Purchases. While Purchases will make every effort to perform the FYT transactions, I do ask for your patience in consideration of the Covid-19 demands, continued efforts around the rollout of Ocean State Procures™, and a reduced procurement staff this year.

Requisition Creation

When preparing a requisition for submittal into RIFANS, consider any appropriate external review and approval necessary (e.g., Chief Information Officer, Building Commissioner and Budget). Incomplete requisitions submitted to the Division of Purchases will not be considered received and will be returned to the preparer for proper completion. In addition, to avoid delays, requisitioners should assure that requisition descriptions and documentation are clear and sufficient.

Delegated Authority for Agencies

If submitting a requisition based on Delegated Authority, you must attach your Delegated Authority Letter from the Chief Purchasing Officer to the requisition. If you do not have a letter authorizing Delegated Authority, you must provide backup indicating why your request should be considered Delegated Authority before submitting your requisition. The Chief Purchasing Officer will review these transactions and issue a letter if deemed appropriate.

Deadlines and Timetables for Requisition Submission

Standard Purchase Orders

with Delivery up to June 30, 2020

May 4, 2020

Purchase Agreements with Delivery up to June 30, 2020

Services/Commodities

8 weeks prior to start date

Change Orders Other than control value/contract period/cancellation

May 4, 2020

Sole/Single Source (Well-Documented, Including Justification Form & Vendor Quotation)

May 4, 2020

Delegated Purchase Agreements

May 4, 2020

- New

8 weeks prior to start date

- Change

May 25, 2020

Purchase Agreements Beginning July 1, 2020

New Commodity/Service and Delegated Purchase Agreements

- New

May 4, 2020

- Change

May 25, 2020

Note for 2021 PO issuance: Review the procedures below prior to submitting requisitions for purchase agreements and standard purchase orders for the new Fiscal Year 2021.

The deadlines above are for planning purposes. Due to the large number of transactions at this time, issuance of purchase orders will be dependent upon the date received. Unless current year requisitions are received by the dates above, there will not be sufficient time to meet the June 30 contract award and delivery schedule. Therefore, **all requisitions for new purchases charged to FY2020 accounts (except RICAP, bond, federal accounts, and stimulus accounts) received after the target dates will be returned.** Do not count on using a sole source justification or direct pays as a means of extending the deadline on what should be a competitive purchase. Evaluating and denying inappropriate requests will only slow processing of legitimate requisitions. If justifications for exemption from competition are insufficient and there is inadequate information for a competitive process, such requisitions will be returned asking for further information; however, your request may not be completed in a timely manner.

Although **new purchase agreement requests received after the due date** will not be returned to agencies, they **will be processed on a “first in, first out” basis**; therefore, some may not be processed in time to be effective on July 1, 2020. Considering that service purchase agreements are more time-sensitive than supply purchase agreements, you should **prepare and submit your service purchase agreement requests first.**

Standard Purchase Orders with Delivery after June 30, 2020

There is no deadline for FY21 standard purchase requisitions. However, requisitioners should be aware that these requests will not be processed until all old year standard purchase orders and new year purchase agreements have been addressed. Refer to the attached procedures for creating these types of requisitions.

Blanket Releases, Contract Releases, and Small Purchases for Delivery before June 30, 2020

The cutoff for creating releases and purchase orders for FY20 will be June 22, 2020. You cannot order goods or services for delivery in FY20 after this date. Direct payments will not be accommodated because an agency failed to acquire a purchase order before ordering required goods or services.

Any outstanding Contract and Blanket Releases will be decreased to the billed/received amount and closed systematically beginning July 30, 2020. **In order to facilitate this process, agencies must ensure that the billed amount is equal to the received amount for all FY20 contract/blanket releases.** Failure to do so may result in the remaining closed balance not going back into the agreed amount.

RICAP Projects

RICAP projects typically span more than one fiscal year and therefore are normally set up as contract purchase agreements in RIFANS. **As a result, agencies should close out their FY20 contract releases by year-end and create new FY21 master releases for all RICAP projects.** Prior to closing out the FY20 contract releases, ensure that the billed amount is equal to the received amount.

Change Orders

- | | |
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| • Increases to Standard Purchase Orders and Releases | June 29, 2020 |
| • Decreases to Releases for encumbrance reducing purposes | July 6, 2020 |
| • Decreases to Standard Purchase Orders < \$5000 | RIFANS Electronic Change Order Process |

- Canceling Standard Purchase Orders <\$5000

RIFANS Electronic Change
Order Process

Standard Purchase Order Rollover to 2021 Accounting

Fiscal Year 2020 Standard Purchase Orders that are required to be carried over to FY21 will be rolled over to the new year accounting on July 24, 2020.

The RI Detail Encumbrance Report cleanup will be part of the fiscal year end close process. You should continue to monitor these reports and work with Purchases through the RIFANS Electronic Change Order Process for canceling any standard purchase orders < \$5000 (Autocreate Buyer), contract releases and blanket releases that you no longer require. Requisitions that appear on this report are the agencies' responsibility to cancel, if necessary.

With the upcoming transition to Ocean State Procures™ (OSP), it is imperative that all Standard Purchase orders that are not needed be closed out so they don't roll over into FY21.

Instructions for FY21 Purchase Agreements Beginning July 1, 2020

A substitute account number has been set up for each agency. This account number is to be used on all requisitions for FY21 transactions that need to go out to bid.

The substitute account number is 21.10.(agency number).CCCCCCC.01.699998.0000

Before creating a requisition for a Purchase Agreement, check for a Master Price Agreement (MPA) that may have the product or service you are looking for using the current MPA Search page at purchasing.ri.gov. MPAs may be set up in RIFANS as Blanket Purchase Agreements or Contract Purchase Agreements. For an Agreement set up as a Blanket Purchase Agreement, you would use a Blanket Release to purchase items. For an Agreement set up as a Contract Purchase Agreement, you would use a Contract Release to purchase items.

To request a purchase agreement for FY21 utilize the RI Division of Purchases' Business Processes for creating requisitions based on the type of commodity you are requesting to be purchased.

FY21 Standard Purchase Order Requests

As noted in the attached memo, there is no deadline for FY21 standard purchase order requisitions. However, requisitioners should be aware that these requests will not be worked on until all old year standard purchase orders and new year purchase agreements have been addressed.

If you need to submit a requisition for a standard purchase order, use the same procedures as above. By doing this before the FY21 budget and account strings are open, you will need to modify your requisition using the correct accounting before any bids will be awarded or purchase orders created.

Kindly keep in mind that agency requisitions submitted during the end-of-year crunch will be in a pool of competition among all agencies. I would like to thank you for your anticipated cooperation, especially during this critical time.

cc: Thomas Mullaney, Executive Director/ State Budget Officer